

and by the reflex influence of the crisis in France and the United States. The war with Spain caused some curtailment of commercial operations in France in 1823 and broke the force of the ascending movement of business. Much of the gold expelled from England by unfavorable exchanges found its way into the Bank of France, so that when the reflex movement of the English crisis was felt in France in the demand for enlarged discounts, the bank had an ample reserve to meet it. The volume of discounts, which had been 478,000,000 francs in 1824, increased to 638,000,000 in 1825 and 688,000,000 in 1826, and fell to 556,000,000 in 1827 and 402,000,000 in 1828. The ebb and flow of the commercial tide followed, therefore, substantially the same course in France as across the channel, but without such an acute disturbance.¹ The rate of discount was maintained uniformly at four per cent.

The Crisis 0/1837-39.

The crisis of 1837 was felt most severely in the United States, but over-speculation in banks and joint stock companies affected Great Britain and the Continent, and Great Britain was affected also by her large loans in America. There were symptoms of a panic in England in 1832, but they arose from political events, aggravated by bad management of the Bank of England, and did not present the phenomena of a genuine economic crisis. The government undertook the conversion of the public debt at three and a half per cent, and the disturbance thus caused in the money market was complicated with the expiration of the charter of the bank and the political convulsions on the Continent. The reform bill was pending in Parliament and the masses were irritated against Wellington and the conservative ministry for their opposition. The circulation of the Bank of England was much less than in 1825 (about £16,800,000), but the coin reserve had been allowed to fall below £5,000,000. The attempt to create a political run upon the bank

¹ Juglar, 410.